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SUBJECT: SPAIN: UPDATE ON MEGAPORTS NON-PROLIFERATION
INITIATIVE

1. (SBU) Summary. On September 17-18, representatives from the National Nuclear Security Administration (NNSA) visited Spain to assess the implementation of the Megaports program at the Port of Algeciras and negotiate a cost-sharing expansion to Spain's other leading ports: Barcelona and Valencia. The Megaports Initiative is a Department of Energy (DOE) program to detect illicit nuclear and radioactive cargo at ports and was inaugurated in Algeciras in June 2006. The delegation learned that although the program is successfully being implemented for import and export traffic, union stevedores are blocking the full implementation of the selective scanning program for transshipment cargo. For the time being, transshipment cargo represents 90-97 percent of all traffic at the Port of Algeciras. Despite this setback, NNSA is moving forward with plans to expand the Megaports program to Barcelona and Valencia. The earliest date by which the Barcelona and Valencia Megaports programs could be implemented is December 2008. This cable has been cleared by representatives from NNSA. End Summary.

PROBLEMS WITH MEGAPORTS IMPLEMENTATION AT ALGECIRAS

2. (SBU) In a visit to the Port of Algeciras September 17, NNSA representatives and EconOff learned that while Megaports is being implemented for import and export traffic, transshipment cargo was virtually being ignored. The Port of Algeciras, one of the most important shipping ports in Spain and worldwide, receives 90-97 of its shipping in transshipment cargo (cargo that is offloaded from one ship to another). To address this shipping pattern, the NNSA installed two specialized sets of radiation portal monitors on the quay so that a sample of shipping containers could be quickly scanned before being transferred to another ship. The import/export traffic is more easily scanned via portal monitors installed at the entry/exit gates of the Port of Algeciras.

3. (SBU) According to port officials, unionized stevedores are largely to blame for the lack of implementation of the transshipment portion of the program. The reasons behind the union workers' reluctance to implement the program vary. Some argue that this program will affect them financially. The stevedores are paid by the number of containers moved, and a diversion of their normal routes may impact how many

containers they can move per day. Others have expressed broader discomfort with the program, erroneously associating the nuclear detecting portals with potential health hazards. Still others may be using this issue as a bargaining chip to leverage other union issues during an upcoming collective bargaining process between the unions and the Port.

¶4. (SBU) Despite efforts to educate the union workers to the benefits of this program, an unrelated July port accident which resulted in the deaths of two union workers has temporarily halted talks. Emotions are high on the July crane deaths, and port officials fear that if they attempt to push for Megaports implementation at this sensitive juncture, this move may backlash and potentially jeopardize Megaports implementation at other Spanish ports. Port officials advised that it was best to stand down on Megaports negotiations while the sensitivities surrounding the unrelated incident diminish.

EXPANSION TO VALENCIA AND BARCELONA

¶5. (SBU) NNSA wrapped up their visit in Madrid with a meeting that included representatives from Spanish customs, the Ports of Valencia and Barcelona, and Spain's Nuclear Safety Advisory. Despite the problems encountered with transshipment cargo in Algeciras, the participants agreed that expansion to Barcelona and Valencia would still be worthwhile since those ports handle a large quantity of export and import traffic (on average about 80 percent). All parties expressed enthusiasm for the expansion. They also were tentatively willing to share costs, pending budget approval from the appropriate channels. Spanish central customs officials added that training on the Megaports equipment was ongoing and had been incorporated as part of their standard training program in the Madrid central training center. NNSA offered to look into supporting these training efforts.

COMMENT

¶6. (SBU) Despite problems with union workers, the GOS is extremely supportive of the Megaports program. In addition to expanding to Valencia and Barcelona, Spanish customs authorities expressed interest in expanding the Megaports concept to as many ports in Spain as possible. Over the next few months, NNSA contractors will travel to Spain to assist in the planning of Megaports expansion efforts. We will continue to report on their progress as well as any other developments relating to Algeciras. The earliest date by which the Megaports programs in Valencia and Barcelona would be up and running would be December 2008.

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